

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

ALTON REAL ESTATE, INC., *et al.*,

Defendants.

Civil No. 18 C 5625

District Judge: Hon. John J. Tharp, Jr.

Magistrate Judge: Hon. Mary M. Rowland

RECEIVER'S FIRST REPORT

In accordance with Paragraph 34(b) and (c) of this Court's Final Order Appointing the Receiver [Docket No. 17], Long Hill at Rosewood, LLC hereby files the Receiver's First Report, which is attached hereto.

Respectfully Submitted,

GREENBERG TRAURIG, LLP

Date: October 17, 2018

By: /s/ Nancy A. Peterman

Nancy A. Peterman, Esq. (IL ARDC #6208120)

Scott T. Mendeloff, Esq. (IL ARDC #6184901)

Gabriel Aizenberg, Esq. (IL ARDC #6236614)

GREENBERG TRAURIG, LLP

77 West Wacker Drive, Suite 3100

Chicago, IL 60601

Telephone: (312) 456-8400

Facsimile: (312) 456-8435

petermann@gtlaw.com

mendeloffs@gtlaw.com

aizenbergg@gtlaw.com

*Attorney for the Receiver, Long Hill at
Rosewood, LLC*

Long Hill at Rosewood, LLC

October 17, 2018

Honorable John J. Tharp, Jr.
United States District Court for the
Northern District of Illinois, Eastern Division
South Dearborn Street
Chicago, IL 60604

Re: United States of America v.
Alton Real Estate, Inc., et al. (Case 1:18-cv-05625)

Dear Judge Tharp:

In accordance with the Final Order Appointing Receiver entered on September 7, 2018 (the “Order”), Long Hill at Rosewood, LLC (“LHR”) is serving as receiver for the long term care facilities operated by Alton Real Estate, Inc., *et al.* (collectively, “Rosewood”), as described in the Order. The following report is in compliance with Paragraph 34(b) of the Order.

Overview:

Rosewood consists of 1,662 beds at an average occupancy level of 66 percent, which has remained constant during the term of the receivership. There are 12 skilled nursing facilities (collectively, “SNFs;” individually, a “SNF”) and one supportive living facility of 105 beds. The properties are located in Illinois, with the exception of one SNF located in St. Louis, Missouri.

The facilities were built in the 1980s and are generally in good repair, with no state waivers of facility design or function, and all operating licenses are in good standing with the regulatory authorities. The payor mix of Rosewood is comprised of 81 percent Medicaid and 19 percent Medicare and commercial sources. The payor mix has remained constant during the term of the receivership. The workforce is comprised of 1,002 full time equivalents. Rosewood operates with an average nurse agency usage of approximately 5 percent of total staffing. In addition, the therapy, dietary and housekeeping departments are outsourced to third-party vendors.

The organizational structure of Rosewood is complex, and involves several entities critical to the care of its residents (some of which are not defendants in the pending action before this Court). Midwest Administrative Services, Inc. (“MAS”), a defendant in the pending action, provides business office processing to Rosewood. The following entities are not defendants in the pending case before this Court, but are affiliates of Rosewood that provide critical services: (1)

Claims Administrative Services, Inc. (“CAS”) provides internal counsel and claims defense to Rosewood, (2) Senior Living Services, Inc. (“SLS”) provides regional facility maintenance to Rosewood, (3) TEAM, Inc. (“Team”) represents the employee group of Rosewood who have elected health care benefits, and (4) Bravo Nursing Home Services, Inc. (“NHS”) represents regional clinical support for Rosewood. MAS, CAS, SLS, Team and NHS shall be collectively referred to as the “Rosewood Support Service Organizations” or “RSSO.”

Rosewood funds its operations and the activities of the RSSO from the proceeds of loans from MidCap Financial Services LLC (“MidCap”) and, since commencement of the above-referenced case, Housing and Urban Development (“HUD”). As Rosewood collects accounts receivable, the proceeds of such accounts receivable are applied, in full, against the revolving line of credit provided by Midcap to Rosewood, and after application of all such cash collections, MidCap advances additional loans to Rosewood under the revolving line of credit, with the proceeds of such additional loans pooled into a single St. Louis Bank operating account. Once the loan proceeds from MidCap are received, then such additional advances are transferred to Rosewood or the RSSO based upon their respective liquidity needs. .

1. **Rosewood Operational Leadership:** The senior management responsibilities of Rosewood are held by Jack McKittrick, Chief Financial Officer, Peter Goschy, Chief Operating Officer and Merville Duarte, Chief Nursing Officer. LHR supports this team with executive level clinical, financial and administrative professionals. Facility-level leadership has the following open positions, which roles are currently covered by regional staff:
 - a. Peoria – Administrator start date of 10/22/2018
 - b. East Peoria – Administrator start date of 11/5/2018
 - c. Elgin – Current Administrator has resigned. Director of Nursing has obtained a temporary Administrator License and will assume responsibilities
 - d. Northbrook – Administrator has resigned for personal reasons. Administrator will remain in the role until a replacement can be found.
 - e. Alton – Administrator resignation at risk due to personal reasons.
2. **Resident Care and Regulatory Compliance:** Resident care is the top priority of LHR, and LHR has therefore implemented several initiatives to help ensure that quality patient care is delivered to residents. The Rosewood facilities have experienced a high rate of complaint surveys since the onset of the receivership. While the facilities remain in substantial compliance, no facility was cited for immediate jeopardy to resident safety (IJ Level Citation). Two facilities were cited for three (3) actual harm level, G Level Citations that required a plan of correction for actions that occurred prior to the receivership. One of the facilities cited for two (2) of the G tags has had a follow up survey and has been placed back into compliance. The second facility with one (1) outstanding G tag has submitted information for Informal Dispute Resolution (“IDR”) requesting that the deficiency be removed. The results are still pending. The remaining citations (or tags) are in low scope and severity. LHR has been guiding the facility teams through the survey process using several initiatives, as follows:

Para-Scope: LHR utilizes a risk identification system (Para-Scope™), which accumulates historical trends of survey activity, to assist in determining facilities with the highest regulatory risk. A copy of this report is available upon request.

Survey Tracking System: LHR implemented a survey tracking system to help ensure all senior and facility management staff are aware of critical dates related to each survey cycle. LHR staff reviews survey corrective action at each facility prior to critical dates of compliance.

Continuous Quality Improvement Process: The facilities continue daily processes to correct findings through their internal Quality Assurance Performance Improvement Committee in addition to LHR on-site observation and oversight. LHR, in coordination with senior leadership, developed and has implemented comprehensive incident and accident protocols. These protocols, along with incident root cause analysis conference calls (“411 Calls”), are generating greater awareness and preventing reoccurrence of incidents and accidents.

Communication of Deficiencies: Rosewood utilizes external legal counsel as their registered agent with regulatory authorities for all survey activity. All regulatory correspondence flows through this agent including the development of all Plans of Correction (“POC”). LHR continues to evaluate this process for effectiveness and efficiency in completing POCs. LHR has implemented processes to help ensure that the individual facility leadership is actively involved in the POC development.

Survey activity is summarized in the chart below. LHR will continue to provide monthly updates with regard to survey activity.

Facility	Date	Survey Type	Outcome
Alton	8/23/2018	Complaint	6 tags (2 G Level); Cleared Resurvey
	10/5/2018	Complaint	Unsubstantiated
East Peoria	9/6/2018	Complaint	1 tag; Cleared Resurvey
Edwardsville	8/21/2018	Complaint	IDR Successful
	8/30/2018	Complaint	2 Tags (1 G Level) Waiting on Revisit
	10/5/2018	Complaint	Citations/Paperwork Pending
Elgin		No Outstanding Surveys	
Inverness		No Outstanding Surveys	
Joliet	8/23/2018	Complaint	2 tags; Cleared on Revisit
	9/11/2018	Complaint	Unsubstantiated
Moline	10/02/2018	Complaint	Citation Found; Paperwork Pending
Northbrook		No Outstanding Surveys	
Peoria	9/18/18	Complaint	Citations; Waiting Revisit

	10/9/2018	Complaint	Citations/Paperwork Pending
Rockford	8/21/2018	Complaint (1 tag)	9/26/18 Compliance, Paperwork pending
	9/05/2018	Complaint (5 tags)	
St. Charles	9/18/2018	Complaint	Unsubstantiated
St. Louis	9/11/2018	Complaint	Unsubstantiated
	10/11/2018	Complaint	Unsubstantiated

3. **Corporate Compliance and Regulatory Governing Body:** By regulation, SNFs must have a governing body responsible for operational decisions (which is separate from standard corporate governance requirements). LHR learned that Rosewood lacked this structure and has therefore taken steps to appoint a governing body. Additionally, it was discovered that the Rosewood facilities do not have a functional Corporate Compliance Program. Although not mandated by regulation as this time, it is considered a best practice to safeguard against fraudulent activity and allow for staff to have a voice in reporting concerns related to compliance activity. This process is being reviewed and a defined structure is being created to ensure overall corporate compliance.
4. **Marketing Efforts:** Rosewood's current marketing processes are under review in conjunction with senior management. Each facility has developed and executed an individualized marketing plan. Each marketing plan focuses on referral sources specific to the communities they serve. The Rosewood facilities also utilize a protocol that allows for rapid admission from referral sources to ensure timely turnaround from referral to admission. This process is being reviewed and a focus group has been formed to ensure necessary communication exists between the marketing and clinical staff. LHR and Rosewood are working to ensure all admissions have the clinical and care needs met appropriately. Since the start of the receivership, census levels and quality mix have remained essentially constant.
5. **Communication:** LHR has communicated to residents, families, responsible parties, staff, vendors and regulators with regard to the Order. LHR is in daily contact with the facility operating and administrative teams, and oversees weekly regional operating meetings. LHR holds a standing weekly update call with HUD and provides periodic updates to regulatory authorities.
6. **Fiduciary Bond:** LHR has obtained a fiduciary bond for \$500,000 with The Hartford, as required by the Order. A copy of this bond has been filed with the Court.
7. **Insurances:** LHR has become an additional insured on the Rosewood general liability and insurance policy and has received insurance certificates of same.
8. **Vendor Management:** Rosewood vendors accumulated outstanding unpaid claims of approximately \$14 million as of August 20, 2018. Rosewood has approximately 450 vendors. These vendors were given notice of entry of the Order, and LHR has communicated the going concern nature of operations to the vendors. Vendors also were

provided with a claim form to document outstanding amounts owed pre-receivership. There have been no vendors who have discontinued service to Rosewood as a result of the Order. LHR is in ongoing dialog with critical vendors to continue services. Rosewood has been paying vendors for services rendered on and after August 21, 2018 in the ordinary course, with some vendors on expedited payment terms.

9. **Support Termination:** As of September 30, 2018, LHR discontinued the management support from R&R Consulting. In addition, LHR terminated the employment of certain Rosewood principals and their associates. Based on these terminations, the Rosewood facilities have cost reductions estimated at approximately \$885,000 annually.
10. **Treasury Management and Funding:** LHR has become a primary signor on all accounts subject to this Order. Cash book balances as of September 30, 2018 total \$454,435.24. Rosewood utilizes a revolving line of credit with MidCap of \$19 million maturing on December 31, 2018, with outstanding draws as of September 30, 2018 totaling \$16,163,460.09. MidCap has advanced available funds on a semi-weekly basis. In addition to line proceeds, Rosewood has required additional funding from HUD that has totaled \$4,677,015.11 as of October 15, 2018.
11. **Accounts Receivable:** As of August 31, 2018, Rosewood had approximately \$40,091,000 of total accounts receivable, including a balance of \$21,095,083 that was older than 210 days.

The State of Illinois, Department of Health and Family Services (“HFS”), recently entered a settlement with skilled nursing providers, effective August 1, 2018, (Koss et al v. Norwood et al). The terms of the settlement require HFS to deem applications for Medicaid eligibility older than 45 days approved, unless otherwise noticed by HFS. Many SNF providers are therefore expecting a significant number of Medicaid claims to clear as a result of the settlement. Rosewood estimates this issue could amount to approximately \$9 million of previously unprocessed claims to clear. Rosewood anticipates receipt of such receivables to be paid over a 6 month period and has contracted with a third party claims processing consultant (S4 Group LLC) to assist with collection.


12. **Excluded Assets:** In addition to the Rosewood facilities that are subject to the Order, there is also a SNF located in Galesburg, Illinois (“Galesburg”), which is not subject to a HUD mortgage, and an Illinois home care agency, Bravo Home Health Services, Inc. (“BHHS”). Like the Rosewood facilities, Galesburg and BHHS rely upon the services provided by RSSO. Galesburg maintains a separate mortgage and revolving line of credit secured by its accounts receivable with MidCap. MAS, one of the defendants in the case pending before this Court, is a credit party under this facility.
13. **Co-mingled Funds:** Based upon preliminary information, it appears that Rosewood has funded certain operating costs of Galesburg and BHHS. For example, Galesburg and BHHS have not paid for the services provided by RSSO to each of them, and, instead, Rosewood has paid for these services without reimbursement. Although LHR is still evaluating this issue, the amounts owed by Galesburg to Rosewood appear material.

During the term of the receivership, beginning on August 21, 2018, Galesburg has paid its allocable share of support to RSSO. To facilitate these payments, MidCap has provided over-advances to Galesburg under its line of credit and appropriate loan amendments were executed to facilitate this over-advance, including by LHR, on behalf of MAS. LHR is in discussions with MidCap with regard to past-due amounts owed to Rosewood.

- 14. OIG HUD Subpoena:** On August 16, 2018, Rosewood was served with a subpoena of financial records by the Office of the Inspector General (“OIG”). Counsel to LHR is in the process of working with Rosewood to comply with the subpoena. LHR’s counsel has been in communication with OIG.
- 15. Funding of Pre-Receivership Liabilities:** LHR has authorized payment of pre-receivership liabilities for employee wages and benefits, insurance and other payments critical for continuation of patient care. Such payments have totaled approximately \$2.9 million. Of that amount, less than \$20,000 was for non-employee related items.
- 16. Condition of Mortgaged Premise:** From the start of the receivership through September 30, 2018, the Rosewood facilities have not required any capital improvements.
- 17. Lawsuits:** CAS is defending several personal injury lawsuits on behalf of Rosewood (documents are available upon request), which lawsuits are covered under general liability coverage. Prior to any insurance coverage, Rosewood must incur amounts equal to its self-insured retention amount. To the extent that the self-insured retention amount has been exceeded, LHR has agreed to allow such lawsuits to proceed. To the extent that the self-insured retention amount has not been exceeded and any plaintiff attempts to proceed with litigation, LHR intends to seek to enforce the injunction in the Order. In addition, CAS continues to defend other litigation, to the extent necessary given that such litigation is stayed by the Order. There is a pending state court matter (which is not covered by insurance) where a state court judge has requested additional briefing as to whether certain portions of the state court action are stayed based on the terms of the Order.
- 18. Foreclosure Process:** LHR is cooperating with HUD with regard to the foreclosure process. Resident notices were drafted, and property surveys are expected to be scheduled in the near future.
- 19. Financial Information:** Attached please find the following information:
 - a. Bank Account Listing
 - b. Schedule of Receipts and Disbursements
 - c. Schedule of HUD Advances
 - d. Schedule of MidCap Funding IV, LLC Draws and Loan Balances
 - e. Census Data
 - f. Payor Mix Data
 - g. Financial Budget-12 Week Projection

Respectfully,

LONG HILL AT ROSEWOOD, LLC,
in its capacity as receiver for Rosewood

By: 

David M. Lawlor
President

Long Hill at Rosewood, LLC
 Bank Account Listing
 (9/30/2018 Bank Statements Available Upon Request)
 Receiver Period: EOD 8/20/18 and 9/30/18

COMPANY	TYPE	BANK NAME	ACCOUNT BALANCE EOD 8/20/2018	ACCOUNT BALANCE EOD 9/30/2018
BRAVO HOLDING COMPANY INC	CHECKING	ST LOUIS BANK	855.00	534.18
BRAVO HOLDING COMPANY INC	MONEY MARKET	ST LOUIS BANK	1,257.40	1,257.50
BRAVO HOLDING COMPANY INC	EE WELFARE FUND ESCROW	ST LOUIS BANK	500.00	500.00
BRAVO SERVICES LLC	CHECKING	ST LOUIS BANK	508.21	508.21
BRAVO CARE OF ALTON	CHECKING	ST LOUIS BANK	2,552.56	1,938.34
BRAVO CARE OF ALTON	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF ALTON	PRIVATE PAYMENTS	ST LOUIS BANK	5,766.00	7,916.15
BRAVO CARE OF ALTON	FACILITY OPERATING	REGIONS BANK	858.00	858.00
BRAVO CARE OF EAST PEORIA	CHECKING	ST LOUIS BANK	1,568.37	2,423.68
BRAVO CARE OF EAST PEORIA	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF EAST PEORIA	PRIVATE PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF EAST PEORIA	FACILITY OPERATING	MORTON COMM BANK	1,265.62	-
BRAVO CARE OF EDWARDSVILLE	CHECKING	ST LOUIS BANK	1,979.45	2,140.75
BRAVO CARE OF EDWARDSVILLE	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF EDWARDSVILLE	PRIVATE PAYMENTS	ST LOUIS BANK	1,080.00	-
BRAVO CARE OF EDWARDSVILLE	FACILITY OPERATING	US BANK	434.00	-
BRAVO CARE OF ELGIN	CHECKING	ST LOUIS BANK	1,845.83	2,646.71
BRAVO CARE OF ELGIN	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF ELGIN	PRIVATE PAYMENTS	ST LOUIS BANK	805.10	8,571.42
BRAVO CARE OF ELGIN	FACILITY OPERATING	JPMORGAN CHASE	-	-
BRAVO CARE OF ELGIN OPERATOR CONCENTRATION	OPERATOR CONCENTRATION	ST LOUIS BANK	219,106.74	607,765.22
BRAVO CARE OF ELGIN OPERATOR OPERATING	OPERATOR OPERATING	ST LOUIS BANK	287,897.36	1,307,872.81
CR FINANCE II	RENTAL ACCOUNT	ST LOUIS BANK	-	-
BRAVO CARE OF INVERNESS	CHECKING	ST LOUIS BANK	1,378.48	1,985.32
BRAVO CARE OF INVERNESS	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF INVERNESS	PRIVATE PAYMENTS	ST LOUIS BANK	-	3,640.08
BRAVO CARE OF INVERNESS	FACILITY OPERATING	AMERICAN CHARTERED	516.00	-
BRAVO CARE OF JOLIET	CHECKING	ST LOUIS BANK	1,295.86	2,521.31
BRAVO CARE OF JOLIET	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF JOLIET	PRIVATE PAYMENTS	ST LOUIS BANK	8,643.28	12,276.00
BRAVO CARE OF JOLIET	FACILITY OPERATING	FIRST MIDWEST	870.06	-
BRAVO CARE OF MOLINE	CHECKING	ST LOUIS BANK	1,190.56	2,116.78
BRAVO CARE OF MOLINE	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF MOLINE	PRIVATE PAYMENTS	ST LOUIS BANK	2,335.79	445.00
BRAVO CARE OF MOLINE	FACILITY OPERATING	THE NATIONS BANK	1,220.24	-
BRAVO CARE OF NORTHBROOK	CHECKING	ST LOUIS BANK	1,385.44	2,135.83
BRAVO CARE OF NORTHBROOK	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF NORTHBROOK	PRIVATE PAYMENTS	ST LOUIS BANK	-	9,495.18
BRAVO CARE OF NORTHBROOK	FACILITY OPERATING	US BANK	-	-
BRAVO CARE OF PEORIA	CHECKING	ST LOUIS BANK	1,404.12	2,454.20
BRAVO CARE OF PEORIA	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF PEORIA	PRIVATE PAYMENTS	ST LOUIS BANK	-	16,000.00
BRAVO CARE OF PEORIA	FACILITY OPERATING	NATIONAL CITY BANK	-	-
BRAVO CARE OF ROCKFORD	CHECKING	ST LOUIS BANK	2,097.18	2,134.82
BRAVO CARE OF ROCKFORD	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF ROCKFORD	PRIVATE PAYMENTS	ST LOUIS BANK	-	12,355.00
BRAVO CARE OF ROCKFORD	FACILITY OPERATING	US BANK	420.21	-
BRAVO CARE OF ST CHARLES	CHECKING	ST LOUIS BANK	1,053.43	2,992.16
BRAVO CARE OF ST CHARLES	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF ST CHARLES	PRIVATE PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF ST CHARLES	FACILITY OPERATING	CHASE	1,067.00	-
BRAVO CARE OF ST LOUIS	CHECKING	ST LOUIS BANK	1,807.85	2,697.51
BRAVO CARE OF ST LOUIS	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF ST LOUIS	PRIVATE PAYMENTS	ST LOUIS BANK	-	2,979.39
BRAVO CARE OF ST LOUIS	FACILITY OPERATING	US BANK	500.20	-
BRAVO CARE OF WOOD RIVER	CHECKING	ST LOUIS BANK	1,690.23	2,386.21
BRAVO CARE OF WOOD RIVER	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-

Long Hill at Rosewood, LLC
 Bank Account Listing
 (9/30/2018 Bank Statements Available Upon Request)
 Receiver Period: EOD 8/20/18 and 9/30/18

COMPANY	TYPE	BANK NAME	ACCOUNT BALANCE EOD 8/20/2018	ACCOUNT BALANCE EOD 9/30/2018
BRAVO CARE OF WOOD RIVER	PRIVATE PAYMENTS	ST LOUIS BANK	-	-
BRAVO CARE OF WOOD RIVER	FACILITY OPERATING	US BANK		
BRAVO ADMINISTRATIVE SERVICES	CHECKING	ST LOUIS BANK	1,897.24	2,503.67
BRAVO NURSING HOME SERVICES	CHECKING	ST LOUIS BANK	1,838.91	1,918.76
SENIOR LIVING SERVICES	CHECKING	ST LOUIS BANK	2,441.47	2,625.98
BTH	CHECKING	ST LOUIS BANK	1,122.95	1,122.95
TEAM HEALTH LLC	CHECKING	ST LOUIS BANK	1,407.44	6,525.16
MIDWEST ADMINISTRATIVE SERVICES	ELECTRONIC PMTS	ST LOUIS BANK	1,499.03	7,405.00
	CHECKING	ST LOUIS BANK	967.63	-
CLAIMS ADMINISTRATIVE SERVICES	CHECKING	ST LOUIS BANK	1,788.93	1,480.68
BLUE RIDGE AMERICA	CHECKING	ST LOUIS BANK	5,219.23	5,219.23
Alton Venture Real Estate LLC (VA 59)		ST LOUIS BANK	10.00	10.00
East Peoria Venture Real Estate, LLC (VE 61)		ST LOUIS BANK	10.00	10.00
Joliet Venture Real Estate, LLC (VJ 62)		ST LOUIS BANK	10.00	10.00
Moline Venture Real Estate, LLC (VM 83)		ST LOUIS BANK	10.00	10.00
Peoria Venture Real Estate, LLC (VP 85)		ST LOUIS BANK	10.00	10.00
Schuetz Road Venture Real Estate, LLC (VS 58)		ST LOUIS BANK	10.00	10.00
Wood River Venture Real Estate, LLC (VW 63)		ST LOUIS BANK	10.00	10.00
Alton Real Estate, Inc. (A1 01)		ST LOUIS BANK	296.55	296.55
East Peoria Real Estate, Inc. (EP 03)		ST LOUIS BANK	426.27	426.27
Edwardsville Real Estate, LLC. (ED 04)		ST LOUIS BANK	268.22	248.22
Elgin Real Estate, LLC. (EL 05)		ST LOUIS BANK	119.57	119.57
Inverness Real Estate, LLC. (IN 08)		ST LOUIS BANK	766.93	766.93
Joliet Real Estate Holding Co., Inc. (JO 09)		ST LOUIS BANK	408.25	408.25
Moline Real Estate, Inc. (MO 10)		ST LOUIS BANK	99.31	99.31
Northbrook Real Estate, LLC. (NO 11)		ST LOUIS BANK	5.55	5.55
Peoria Real Estate, Inc. (PE 12)		ST LOUIS BANK	118.94	118.94
Rockford Real Estate, LLC. (RO 13)		ST LOUIS BANK	-	-
St Charles Real Estate, LLC. (SC 14)		ST LOUIS BANK	384.16	384.16
Schuetz Road Real Estate, Inc. (SL 15)		ST LOUIS BANK	426.56	426.56
Wood River Real Estate Holding Company (WO 17)		ST LOUIS BANK	7.88	7.88
OPCO Holding, LLC (OH 21)		ST LOUIS BANK	500.00	500.00
Rosewood Administrative Holding, LLC (RA 22)		ST LOUIS BANK	500.00	500.00
Services Holdings, LLC (SH 23)		ST LOUIS BANK	500.00	500.00
Cahill Rosewood 1, LLC (C1 24)		ST LOUIS BANK	-	-
CR Finance I, LLC (F1 26)		ST LOUIS BANK	-	-
Cahill - Rosewood-II, LLC (C2 28)		ST LOUIS BANK	-	-
CR Finance II, LLC (F2 29)		ST LOUIS BANK	-	-
Edwardsville Real Estate Holding, LLC (EH 30)		ST LOUIS BANK	-	-
Elgin Real Estate Holding, LLC (EG 31)		ST LOUIS BANK	-	-
Inverness Real Estate Holding, LLC (IH 32)		ST LOUIS BANK	-	-
Northbrook Real Estate Holding, LLC (NH 33)		ST LOUIS BANK	-	-
Rockford Real Estate Holding, LLC (RH 34)		ST LOUIS BANK	-	-
St. Charles Real Estate Holding, LLC (TH 35)		ST LOUIS BANK	-	-
JOSHUA RAY [1]		ST LOUIS BANK	-	-
Rosewood Payroll Reserve Account		ST LOUIS BANK	-	-
Balance per Bank			580,236.59	2,057,227.38
Less: Elgin Operator Concentration Acct-Sweeps to MidCap			(219,106.74)	(607,765.22)
Balance per Bank, Operating Cash			361,129.85	1,449,462.16

[1] No activity since 2016. J Ray was using to pay Galesbur mortgage to MidCap

Long Hill at Rosewood, LLC
Schedule of Receipts and Disbursements
Receiver Period 8/21 - 9/30/18

Bank Balance EOD 8/20/2018	\$ 580,237
Less: Elgin Concentration Acct (Sweeps to MidCap)	(219,107)
Bank Balance EOD 8/20/2018-Operating Cash	<u>\$ 361,130</u>

Summary of Receipts:

MidCap Funding IV, LLC Borrowing Base Draws	\$ 6,781,000
HUD Funding	9/18/18 2,815,275
Total Receipts	<u>\$ 9,596,275</u>

Summary of Disbursements:

Accounts Payable

Accounts Payable Vendors	\$ 2,507,684
Payroll Taxes (FICA, State, SUTA, FUTA)	1,500,801
Bed Taxes-Monthly & Quarterly	510,778
PL/GL Insurance	304,400
Workers' Comp Insurance	296,276
EE Benefits and 401k	248,093
Patient Refunds	54,671
RR Marketing	37,500
MO Withholding Taxes	17,428

Accounts Payable Subtotal	<u>5,477,633</u>
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Payroll

Payroll Pay Dates 8/21 - 9/28	<u>3,030,311</u>
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Total Disbursements	<u>\$ 8,507,944</u>
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Increase in Cash	<u>\$ 1,088,332</u>
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Bank Balance EOD 9/30/2018-Operating Cash	\$ 1,449,461
Less: Outstanding Checks	(995,027)
Book Balance EOD 9/30/2018-Operating Cash	<u>\$ 454,435</u>

Long Hill at Rosewood, LLC
 Census Data
 Receiver Period 8/21 - 9/30/18

Census Report-Total													
Total Beds	Certified Beds	Occupancy	Cert Occupancy	8/21 - 9/30 Post-Receiver				ADC Monthly Trend				Variance	
				8/21/18	8/31/18	9/30/18	MTD Variance	May	Jun	Jul	Aug		
Alton	180	61%	61%	111	115	109	(6)	118	115	122	118	(4)	
East Peoria	120	65%	66%	73	74	78	4	75	74	79	76	(3)	
Edwardsville	120	86%	86%	89	89	103	14	98	102	100	94	(6)	
Elgin	139	79%	81%	112	110	110	-	107	106	104	110	6	
Foxes Grove (Wood River)	105	70%	80%	70	72	74	2	72	71	72	70	(2)	
Inverness	142	68%	69%	104	103	97	(6)	95	96	97	101	4	
Joliet	120	56%	57%	72	71	67	(4)	70	71	72	72	-	
Moline	120	67%	68%	84	82	80	(2)	80	81	85	87	2	
Northbrook	147	78%	85%	113	106	115	9	112	110	115	115	-	
Peoria	120	54%	61%	67	68	65	(3)	65	66	67	66	(1)	
Rockford	120	57%	66%	69	70	68	(2)	72	72	71	71	-	
St. Charles	109	65%	66%	79	84	71	(13)	88	88	79	80	1	
St. Louis	120	54%	60%	63	62	65	3	67	66	65	63	(2)	
Total	1,662	1,585	66%	1,106	1,106	1,102	(4)	1,119	1,118	1,128	1,123	(5)	

Source: 2018 Rosewood MASTER Census

Long Hill at Rosewood, LLC
 Payor Mix Data
 Receiver Period 8/21 - 9/30/18

Census Report-Quality Mix (MX2%)													
Total Beds	Certified Beds	Occupancy	Cert Occupancy	8/21 - 9/30 Post-Receiver				8/21 - 9/30 Post-Receiver				Census Report-Quality Mix Census	
				8/21/18	8/31/18	9/30/18	Variance	May	Jun	Jul	Aug	Variance	MTD Variance
Alton	180	61%	61%	28.8%	33.9%	33.0%	4.2%	34.2%	32.4%	35.2%	34.6%	-0.7%	(3)
East Peoria	120	65%	66%	15.1%	12.2%	16.7%	1.6%	20.4%	17.6%	17.6%	15.8%	-1.8%	4
Edwardsville	120	86%	86%	16.9%	14.6%	27.2%	10.3%	20.0%	25.7%	23.9%	18.8%	-5.1%	15
Elgin	139	79%	81%	24.1%	22.7%	23.6%	-0.5%	25.2%	25.8%	20.6%	24.5%	4.0%	1
Foxes Grove (Wood River)	105	93	80%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-
Inverness	140	68%	69%	24.0%	24.3%	22.7%	-1.4%	27.6%	24.6%	24.8%	22.1%	-2.8%	(3)
Joliet	120	118	56%	26.4%	26.8%	26.9%	0.5%	24.0%	15.9%	21.1%	25.8%	4.7%	(1)
Moline	120	118	67%	20.2%	17.1%	17.5%	-2.7%	18.5%	15.2%	15.8%	20.7%	4.9%	-
Northbrook	147	136	78%	2.7%	3.8%	3.5%	0.8%	11.3%	8.5%	7.7%	5.0%	-2.6%	-
Peoria	120	107	54%	35.8%	36.8%	35.4%	-0.4%	24.5%	26.3%	31.5%	32.4%	0.9%	(2)
Rockford	120	103	57%	15.9%	17.1%	17.6%	1.7%	24.3%	25.1%	27.3%	19.0%	-8.3%	-
St. Charles	109	108	65%	16.5%	16.7%	11.3%	-5.2%	23.9%	23.8%	21.6%	17.3%	-4.4%	(6)
St. Louis	120	108	54%	15.9%	11.3%	10.8%	-5.1%	18.5%	15.6%	14.0%	15.1%	1.1%	-
Total	1,662	1,585	66%	18.7%	18.6%	19.1%	3.8%	21.4%	21.4%	21.2%	21.3%		5

Source: 2018 Rosewood MASTER Census
 MX2% = Medicare A + Managed Care divided by Occupancy

Book Cash Balance Beginning of Week

[illegible]